Original on D. 7055.

September 15, 37.

The Secretary,

S. M. C.

Alleyway Tenants' Association.
Tangpu and Social Bureau Activities.
Chinese Press in the Settlement.

I attach a report from D.C. (Crime & Special Branch) in regard to the above. It is suggested in this report that the Council prohibit the existence of any Association within the Settlement without a permit first obtained from the Council.

In this connection the policy of the Tangpu and Social Bureau has in recent years been one of gradual encroachment on Council authority. The case in point is an excellent illustration.

The Social Bureau has from time to time issued orders to places of entertainment and if disobeyed have ordered the Chinese Press to refuse all advertisements.

Newspapers have to register under the Press Law with the Government Bureau and the Bureau can refuse registration or cancel registration if the paper is not to their liking but through publication in the Settlement the Council are powerless except to obtain an injunction against the Bureau under the Press Law at the request of the Chinese

Authorities or demanding corrections under the Press Law in glaring cases.

The Tangpu issue certificates to labour Unions in conjunction with the Social Bureau and Labour Headquarters and claim the right to settle disputes within the Settlement.

I bring the above to your notice in case the full implications of this gradual encroachment are not clear to the Council.

If possible, in the interests of peace and good order, there are two very effective things which could be done.

First, no Association be permitted in the Settlement without a permit first obtained after registration with the S.M.C. This to include all Unions, Associations, whatsoever. Enforcement to be direct through the Police who would automatically close all such without permits.

Secondly, no paper be published in the Settlement without a permit issued after registration with the Council.

There would be no question of payment for license but a permit under certain conditions issued free in both cases to operate within the Settlement but subject to withdrawal and authorising direct action by Police.

If newspapers choose to obey the Soviet decree at the expense of the Council it is possible the permit might be withdrawn. In normal times Tribal Courts are the direct legal channel [illegible]

Such measures may be straining the Council's powers but would be none the less effective in checking agitation in the Press against the Council by interested parties outside the Settlement and would restore to some extent the control of the Settlement by the Council now being seriously eroded by various Government organs. It would have some good effect on labour agitation.

Many of the worst troublemakers enjoy the hospitality and protection of the Settlement and French Concession. There is no adequate reason why those taking part in a deliberate campaign to undermine Council authority should be allowed to base their activities in the Settlement and Concession.

If these proposals are feasible at all, I will submit at any time a further report as to the nature of permits recommended and attitude of the French Police.

(Sd) K. M. Bourne.
Acting Commissioner of Police.

KMB/.

CONFIDENTIAL.

September 14, 1937.

Acting Commissioner of Police.

ALLEYWAY TENANTS' ASSOCIATION.

On August 28,1937, the 1st Special District (International Settlement) Advisory Committee of Alleyway Tenants' Association was formed with an office at 3, Tae Dzoh Li, Yunnan Road, on the instructions of the local Tangpu and the Bureau of Social Affairs.

No application was made to the Council for permission to form this organisation.

The ostensible object of this organisation is to "instruct and advise alleyway tenants in the formation of individual associations for mutual protection and unification", but the real aim is to control completely the residents in the Settlement and in the French Concession. Thus the payment of rents, taxes, etc., will be entirely under the control of this body and all disputes of any nature will be dealt with through the organisation. At present there is an indirect control over residents here through the Chamber of Commerce, the Ratepayers' Association and the Street Unions, but many residents are not reached through these bodies. The intention is to rectify this and to bring every Chinese resident under the control of the outside Chinese Authorities.

The matter was discussed with Commandant Fabre and other Officers of the French Police. They have closed down the office in the French Concession. It can be stated confidentially that the forming of this organisation was the main cause for the issue of the Proclamation dated

September 2, 1937. The French Police intend to expel any person attempting to function on behalf of this organization. On September 7, the office opened at 3, Tao Dzoh Li, Yunnan Road, was closed down and the occupants forbidden to function in the Settlement.

It would be a good thing if the Council would issue a Proclamation somewhat similar to that issued by the French Authorities as, undoubtedly, advantage is being taken of the present situation to create organizations which will ensure an almost complete control, by outside authorities, of Chinese residents in the Settlement.

I attach a translation of the Proclamation issued by the French Consul-General.

Sgd.

Deputy Commissioner
(Crime Branch)

FRENCH CONSULATE GENERAL IN SHANGHAI.
CONSULAR ORDER.

I, Marcel Baudez, Consul General for France at Shanghai, Chevalier de Legion d'Honneur, according to Article 13 of the Municipal Regulations of the French Concession dated 15th January 1927, do order as follows:-

Article 1.....In order to assure the security of the residents of the French Concession and until further orders, all individuals will be immediately expelled who indulge in any activities not authorised by the French authorities (meetings, formation of groups, societies, etc.)

Article 2.. ...The Commandant of Police is charged with the [illegible] this order.

Given at Shanghai at the Consulate on the [illegible] day of September, 1937.

Consul General for France.